



DJJ Transportation Services, Inc.

a subsidiary of

The David J. Joseph Company

June 10, 1998

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

JUN 18 12 58 PM '98

RECORDATION NO. 21474 FILED

JUN 18 '98

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Mr. Vernon Williams  
Recordations Unit  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423-0001

RECORDATION NO. 21474 FILED

JUN 18 '98

12-58 PM

Dear Mr. Williams:

Enclosed is an original and one copy of the Memorandum of Railroad Equipment Lease Agreement dated as of May 12, 1998 for (111) railcars between the following parties:

Lessee: Tucson Electric Power Company  
3950 East Irvington Road  
Tucson, AZ 85714

Lessor: DJJ Transportation Services, Inc.  
300 Pike Street  
Cincinnati, OH 45202

Please see Exhibit A attached hereto for the equipment involved in this transaction. Please file this agreement as a primary document.

Enclosed is an original and one copy of the Memorandum of Options, Rights of First Refusal and Remarketing Rights dated as of May 28, 1998 and of the Memorandum of Assignment and Assumption Agreement dated as of May 28, 1998 between the following parties:

Buyer: Star Bank, N.A.  
425 Walnut Street  
Mail Location 8135  
Cincinnati, OH 45201-1038

Seller: DJJ Transportation Services, Inc.  
300 Pike Street  
Cincinnati, OH 45202

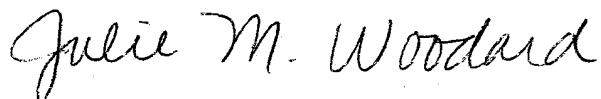
Please see Schedule 1 attached hereto for the equipment involved in each transaction.

Please file these agreements as secondary documents. The lease document to which they are connected is the Tucson Electric Lease for (111) railcars which was submitted for filing above.

The amount of \$26.00 for each agreement is included in the enclosed check No. 437099.

Sincerely,

THE DAVID J. JOSEPH COMPANY

A handwritten signature in cursive script that reads "Julie M. Woodard".

Julie M. Woodard  
Documentation Assistant

Enclosures

JUN 18 '98

12-58 PM

**MEMORANDUM OF OPTIONS, RIGHTS OF FIRST REFUSAL AND  
REMARKETING RIGHTS**

This Memorandum of Options, Rights of First Refusal and Remarketing Rights (the "Memorandum of Rights") is entered into as of the 28<sup>th</sup> day of May, 1998, by and between **DJJ TRANSPORTATION SERVICES, INC.**, a Delaware Corporation, ("Seller") and **STAR BANK, N.A.**, a national banking association ("Buyer").

**WITNESSETH:**

WHEREAS, Buyer and Seller are parties to that certain Purchase and Sale Agreement dated as of May 28, 1998 (the "Agreement"), pursuant to which the Buyer purchased Seller's entire right, title and interest in and to the railroad cars identified on Schedule I attached hereto (collectively, the "Cars");

WHEREAS, the Cars are subject to the Lease identified on Schedule I (the "Lease");

WHEREAS, in connection with the transactions contemplated by the Agreement, Buyer granted Seller certain options, rights of first refusal and remarketing rights, which the parties intend will operate as a lien on the Cars;

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions contained herein and in the Agreement, the parties do hereby confirm that the options, rights of first refusal and remarketing rights granted Seller by Buyer pursuant to the Agreement shall operate as a lien on said Cars and said Cars shall not be sold, leased or otherwise transferred by Buyer except in accordance with and subject to the terms and provisions of said options, rights of first refusal and remarketing rights.

Upon expiration or termination of said options, rights of first refusal and remarketing rights referred to herein, Seller and Buyer shall file an instrument with the Surface Transportation Board of the U.S. Department of Transportation terminating said options, rights of first refusal and remarketing rights of record.

This Memorandum of Rights, being further documentation of the sales, conveyances and transactions contemplated by the Agreement, neither expands upon nor limits the rights and obligations of the parties under the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Rights to be executed and delivered by their duly authorized representatives on the date set forth above, but shall be effective as of May 29, 1998.

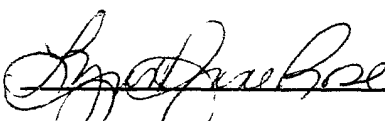
**DJJ TRANSPORTATION SERVICES, INC.**

By: \_\_\_\_\_

Name: Douglas F. McMillan

Title: President

**STAR BANK, N.A.**

By: \_\_\_\_\_

Name: LynnAnne Rose

Title: Vice President

STATE OF OHIO                    )  
  ) SS:  
COUNTY OF HAMILTON)

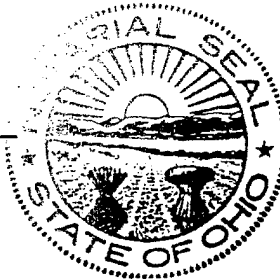
On this 28<sup>th</sup> day of May, 1998, before me the subscriber, Julie M. Woodard, a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named Douglas F. McMillan, to me personally known, who stated and acknowledged that he is the President of DJJ Transportation Services, Inc., a Delaware corporation, and duly authorized by authority of the Board of Directors or By-laws of said corporation in his capacity as such officer to execute and acknowledge this document for and in the name and on behalf of said corporation and further stated and acknowledged that he has so signed, executed and delivered this document as the free and voluntary act and deed of said corporation, for the consideration, uses and purposes therein mentioned and set forth and desired that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 28<sup>th</sup> day of May, 1998.

Julie M. Woodard  
(Notary Signature)

My commission expires:

Sept. 24, 2002

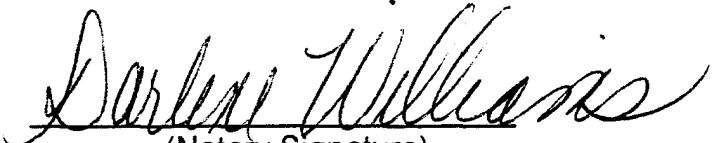


JULIE M. WOODARD  
Notary Public, State of Ohio  
My Commission Expires Sept. 24, 2002

STATE OF OHIO                    )  
  ) SS:  
COUNTY OF HAMILTON        )

On this 28<sup>th</sup> day of May, 1998, before me the subscriber,  
Darlene Williams, a Notary Public, duly commissioned, qualified  
and acting, within and for said County and State, appeared in person the within  
named LynnAnne Rose, to me personally known, who stated and acknowledged  
that she is the Vice President of Star Bank, N.A., a national banking association,  
and duly authorized by authority of the Board of Directors or By-laws of said  
corporation in her capacity as such officer to execute and acknowledge this  
document for and in the name and on behalf of said corporation and further  
stated and acknowledged that she has so signed, executed and delivered this  
document as the free and voluntary act and deed of said corporation, for the  
consideration, uses and purposes therein mentioned and set forth and desired  
that the same might be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal  
this 28<sup>th</sup> day of May, 1998.

  
(Notary Signature)

My commission expires:

**DARLENE WILLIAMS**

Notary Public, State of Ohio

My Commission Expires March 16, 1999

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**SCHEDULE I**  
**TO**  
**MEMORANDUM OF OPTIONS, RIGHTS OF FIRST REFUSAL AND**  
**REMARKETING RIGHTS**

**CARS:** One hundred eleven (111), railcars bearing the reporting marks as follows:

**DJJX :**

244	340	462	558
248	341	465	560
249	345	470	561
250	347	471	563
251	354	478	564
252	359	480	566
253	371	483	571
255	374	484	573
256	376	486	576
266	378	491	577
268	379	497	579
269	382	500	580
271	383	501	581
285	385	505	582
286	393	507	583
292	395	511	584
296	397	516	585
298	408	519	586
300	412	522	587
306	413	523	588
307	414	523	589
316	418	527	590
319	419	541	591
323	421	544	10105
324	455	551	10118
332	460	555	10122
334	461	556	10145
			10151
			10153
			10162

**LEASE:** Dated May 12, 1998 between Tucson Electric Power Company and DJJ Transportation Services, Inc.